

CITY COUNCIL AGENDA REQUEST FORM

Today's date: 12 / 12 / 17

Date of meeting 12 / 20 / 17

(City Council meetings are held the 1st and 3rd Wednesday of each month.)

Name of Citizen, Organization, Elected Official, or Department Head making request:

Planning Staff

Address: 1123 Lake Street

Phone number and email address: 208.255.1738 aqualls@sandpointidaho.gov

Authorized by: Aaron Qualls

name of City official

City official

(Department Heads, City Council members, and the Mayor are City officials.)

Subject: Short Term Rental of Dwelling Units (Title 3, Chapter 12)

Summary of what is being requested: Review recommendation by staff and provide direction

The following information MUST be completed before submitting your request to the City Clerk:

1. Would there be any financial impact to the city? ☐ Yes ☒ No

If yes, in what way? _____

2. Name(s) of any individual(s) or group(s) that will be directly affected by this action:

Have they been contacted?
Yes or No

3. Is there a need for a general public information or public involvement plan? **Yes or No**

If yes, please specify and suggest a method to accomplish the plan: ☒ Yes ☐ No

Public Hearing for any revised changes

4. Is an enforcement plan needed? **Yes or No** Additional funds needed? **Yes or No**
☒ Yes ☐ No ☐ Yes ☒ No

5. Have all the affected departments been informed about this agenda item? **Yes or No**
☒ Yes ☐ No

This form must be submitted no later than 5 working days prior to the scheduled meeting. All pertinent paperwork to be distributed to City Council must be attached.

ITEMS WILL NOT BE AGENDIZED WITHOUT THIS FORM



Staff Report

To: City Council
From: Planning Staff
Report: December 12, 2017
Meeting: December 20, 2017
Item: Short Term Rentals (STRs)

General Information

Requested Action: Discuss Options for revising the Short Term Rental (STR) Ordinance and direct staff accordingly

Purpose: To revise Sandpoint City Code Title 3, Chapter 12

Included in Staff Report:

1. STR Policy Objectives
2. Staff Proposed Recommendations

Attached:

1. Ordinance with the most recent changes from Council
2. Maps of existing Permitted Short Term Rentals within the Residential Zones with and without Home Owner Exemptions
3. Housing Census Data (2011-2015 American Community Survey)
4. Recommended Procedures

1. STR Policy Objectives

1. Ensure that Sandpoint's traditional neighborhoods—highly valued by residents—are not transformed exclusively into tourist areas to the detriment of long-term residents.
2. Minimize public safety risks and negative impacts to neighborhoods.
3. Provide permanent residents an equitable path to occasionally utilize their properties as short-term-rentals.
4. Ensure that the availability of dedicated short-term rental properties are balanced with the need for affordable long-term rental housing options.
5. Ensure that the City is able to collect resort city lodging taxes fairly and equitably.
6. Ensure that any resulting ordinance changes are enforceable so that a level playing field is maintained.
7. Ensure any resulting ordinance changes are in accord with Idaho House Bill 216, which goes into effect Jan. 1st, 2018.

Sandpoint Comprehensive Plan Quotes:

"Provide Sandpoint workers with affordable housing options near jobs, public transportation, and non-motorized transportation options."

"Sandpoint residents value their traditional neighborhoods, including the Downtown and areas such as Sixth Avenue. The community recognizes the need to preserve not just individual historic buildings, but the traditional scale and feeling of the city's original neighborhoods platted by Farmin."

"In recent times, Sandpoint's fortunes have spurred growth and investment in such a way as to compromise affordability. To combat this, residents have become more proactive in a role for themselves and for the City in promoting and encouraging a wide range of housing types, keeping pace with housing demand, and acting to improve other livability factors to bridge the distance between costs of living in Sandpoint with what residents earn."

2. Staff Recommendations

Based on feedback from the public, Council, Administration and legal as well as research conducted and policy objectives established, staff recommends:

Recommendation 1:

Limit the number of dedicated (non-homeowner occupied) STRs within residential zones (see Table 1).

<i>Types of Short Term Rentals</i>	
Owner occupied (permitted)	Where a homeowner rents out rooms or the entire unit but the property remains the owner's primary residence.
Non-Owner Occupied (restricted)	Where the property is rented on a short-term basis but is not the owner's primary residence. Method of determination: Homeowner Exemption Status

Table 1 - Types of STRs

Rational:

The state of Idaho discriminates against non-resident homeowners through the homeowner exemption in the tax code. The staff recommendation is to apply that established policy to the regulation of short-term rentals in order to protect the health, safety, welfare and integrity of the residential neighborhoods.

STRs with owner occupied status allow for better awareness of health, safety and welfare issues related to the unit as well as neighborhood integrity by the very fact that the owners are there a significant portion of the year and neighbors themselves.

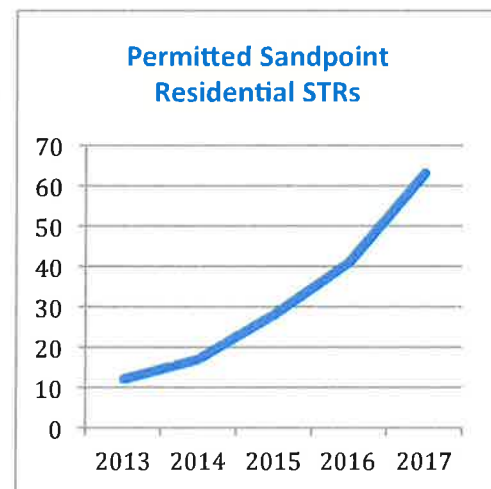


Chart 1 – STRs in Sandpoint

Residentially zoned short-term rentals have also been found to increase long-term rental rates and home prices. Additionally, it has been found that this effect is lessened in areas where there is a larger share of owner-occupiers.¹ The City of Sandpoint has seen a significant increase in permitted STRs since the city first allowed them in 2013 (See Chart 1). Within the same time period, housing unaffordability (where housing costs are 30% or more of household income) has increased 3.4% for renters and 1.7% for homeowners.²

¹ Barron, K., Kung, E., & Proserpio, D. (2017). The sharing economy and housing affordability: evidence from Airbnb. Social Science

² U.S. Census Bureau, 2009-2013 and 2012-2016 American Community Survey

Restricting the number of non-owner occupied STRs supports established policy objectives such as maintaining long-term rental housing stock and preventing neighborhoods from becoming tourist areas exclusively while providing an equitable way to utilize residential properties as STRs.

*How many **non-owner occupied STRs** should be allowed within residential zones?*

Option 1: Zero.

Given that all commercial zones within city limits allow for dedicated short term rentals of dwelling units with considerable density (roughly 32 currently permitted in Commercial Zones), Council may wish to only grandfather those residentially zoned STRs with existing (non-transferable) permits but prohibit any future STRs in residential zones that are not owner occupied.

Reference City: Bozeman, MT.

Option 2: Current Number of 22

Currently, there is a total number of 22 STRs that do not have the homeowner's tax exemption; most of which (13) are located in South Sandpoint (not including Condo Del Sol which has a total of 18 STRs). Given current housing pressures where over half of residents within Sandpoint live in unaffordable housing, Council may wish to limit any more dedicated STRs while providing further opportunity for residing home owners.

Reference City: Durango, CO

Option 3: Based on a percentage of housing units

Census and building permit data indicate that there are roughly 4000 housing units total within City Limits. Council could determine a set percentage level according to current info. For Example, at 4% (historic percentage of seasonal occupancy per 2000 census) the total number would be 160 units. If roughly half of those were residentially zoned that would equal 80. If half of those had the homeowner exemption, the total number of allowed dedicated short-term rentals would be 40 (equal to 2% of total housing units and roughly twice as many as currently permitted).

Recommendation 2:

Depending on the number of non-homeowner occupied STRs allowed, Council may want to consider adding standards to prevent clustering.

Rational:

Prevention of STR clustering protects the integrity of the neighborhood by insuring large neighborhood areas do not become emptied of residents—supporting policy objectives 1 and 2.

Option 1: Limit by Street Segment

This could be achieved by limiting dedicated STRs to one per street segment (see Figure 1). Alternatively, depending on the number allowed dividing by residential zone may serve the same purpose without adding complexity. Per the previous example, if Council decided 40 total non-owner occupied STRs was appropriate, 20 could be allowed in the RM zone and 20 allowed in the RS zone. Regardless, staff recommends the prevention of multiple STRs per parcel in order to prevent the occurrence of hotels within residential neighborhoods (while retaining certain exemptions for waterfront developments in proximity to the downtown).

Reference Cities: Durango, CO, New Orleans, LI and Coeur d'Alene, ID

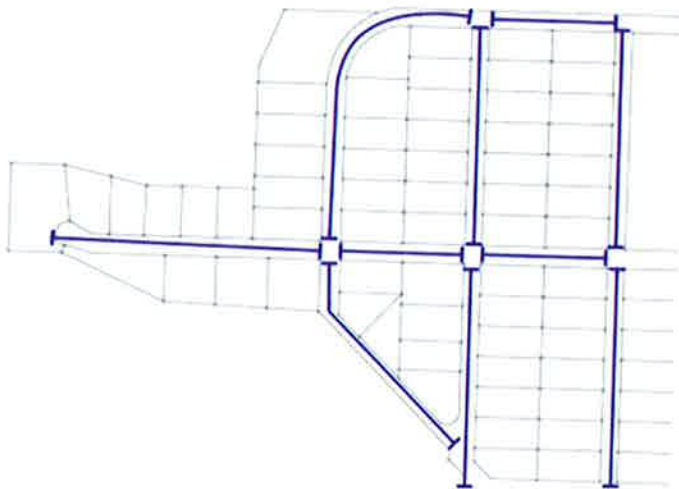


Figure 1 - Street Segment:

a portion of a street, which is located between two intersections, or between an intersection and the end of a cul-de-sac or dead-end. (*City of Durango, Article 7-3*)

NOTE: If an STR is located on a corner parcel, both street segments would be affected; rendering each segment ineligible for an additional dedicated STR.

Option 2: Limit by Zone

Alternatively, depending on the number allowed, dividing by residential zone may serve the same purpose without adding complexity to the ordinance. Per the previous example, if Council decided 40 total non-owner occupied STRs was appropriate, 20 could be allowed in the RM zone and 20 allowed in the RS zone.

Chapter 12

SHORT TERM RENTAL OF DWELLING UNITS

3-12-1: PURPOSE:

3-12-2: DEFINITIONS:

3-12-3: VACATION RENTAL OCCUPANCY REQUIREMENTS:

3-12-4: STANDARDS:

3-12-5: VIOLATION; INFRACTION; PENALTY:

3-12-1: PURPOSE:

The purpose of this chapter is to safeguard the public health, safety and general welfare in order to protect the integrity of the city's residential neighborhoods by limiting and regulating the vacation home rental occupancy of dwelling units.

In the adoption of these regulations, the city finds that the rental of dwelling units for periods of thirty (30) days or less has the potential to be incompatible with surrounding residential uses. Therefore, special regulation of dwellings used for vacation home rental occupancy is necessary to ensure that these uses will be compatible with surrounding residential uses and will not materially alter the neighborhoods in which they are located.

3-12-2: DEFINITIONS:

LOCAL CONTACT PERSON: An area property manager, owner, or agent of the owner, who is readily available to respond to tenant and neighborhood or city questions or concerns.

MANAGING AGENCY OR AGENT: A person, firm or agency representing the owner of the tourist home rental, or a person, firm or agency owning the tourist home rental.

OWNER: The person or entity that holds legal and/or equitable title to the private property.

OWNER OCCUPIED: Occupied by a majority owner of the property or an immediate family member of the property owner more than six (6) months out of any given year. Proof of owner occupation as it applies to this Chapter may be satisfied by demonstration of a homeowner's tax exemption or other documentation as deemed acceptable by the City but the burden of proof shall be on the owner, operator, or lessee of record.

VACATION HOME: A residence, including a single-family unit or a multi-family unit, which is rented for the purpose of overnight lodging for a period of not less than two (2) days and not more than thirty (30) days. Rentals for less than two (2) days shall be considered a motel and regulated accordingly. Vacation homes are also commonly referred to as tourist homes, bed and breakfast establishments or vacation rentals.

VACATION HOME RENTAL OCCUPANCY: The use of a dwelling unit, or a portion thereof by any person or group of persons who occupies or is entitled to occupy a dwelling unit for remuneration for a period of time less than thirty (30) but at least two (2) days, counting portions of days as full days. "Remuneration" means compensation, money, rent or other bargained for consideration given in return for occupancy, possession or use of real property. Home exchanges where money is not

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Deleted: A long term lease satisfies the equitable title provision if the legal owner consents to licensing. The owner may act through an agent or property manager, but the owner shall remain responsible for compliance with these provisions.

transferred shall be excluded from this definition.

3-12-3: VACATION RENTAL OCCUPANCY REQUIREMENTS:

- A. No person shall occupy, use, operate or manage, nor offer or negotiate to use, lease or rent a dwelling unit for vacation rental occupancy within the city without obtaining a vacation rental permit.
- B. Permits for vacation rentals may be allowed subject to all provisions of this chapter.
- C. Occupancy Tax: Compliance with the requirements of [chapter 10](#), "Hotel/Motel Occupancy Tax", of this title is required.
- D. A vacation rental permit is issued to a specific owner of a dwelling unit. The vacation rental permit shall be revoked when the permit holder sells or transfers the real property which was rented pursuant to the vacation rental permit except as provided below. For purposes of this section, "sale or transfer" shall mean any change of ownership during the lifetime of the permit holder or after the death of the permit holder whether there is consideration or not except a change in ownership where title is held in survivorship with a spouse or child or transfers on the owner's death to a trust which benefits only a spouse or child for their lifetime. A permit holder may transfer ownership of the real property to: a trustee, a limited liability company, a corporation, a partnership, a limited partnership, a limited liability partnership, or other similar entity and not be subject to permit revocation pursuant to this section so long as the transferor lives and remains the only owner of the entity.
- E. Within the residential zones, no vacation rental shall be located within three hundred feet (300') of a parcel on which any other vacation rental is located, except as provided herein. The three hundred foot (300') buffer distance shall be measured from the edges of the legally described parcel on which the vacation rental home is located. *For those vacation rentals required to adhere to the buffer requirement, sale or transfer shall make them ineligible for a period of six (6) months as a vacation rental where the buffer requirement would necessitate reinstatement. Exceptions to the buffer requirement are as follows:*
 - 1. Where the vacation rental unit is included in a multi-unit development with the following standards:
 - a. Such development must include not less than ten (10) units.
 - b. Such development must include property that adjoins the waterfront.
 - c. Such development must be within one thousand and five hundred (1,500) feet of the downtown core defined as being within the boundaries of First Avenue, Cedar Street, Fifth Avenue and Pine Street. Developments located farther than 1,500 feet from the downtown core that meet standards E-1-a and E-1-b above shall not be required to adhere to the buffer requirement but may only be allowed short term rentals at a ratio of 1 per 10 units.

2. Where approved for a greater vacation rental density as part of an approved planned unit development. Existing approved planned unit developments must be formally amended to be eligible for this greater density.

3. Where one or more bedrooms are rented within an owner occupied dwelling while the owner is occupying the same dwelling during the entire rental period,

4. Where a primary unit, accessory unit or a single unit within a duplex is rented within an owner occupied parcel whether or not the owner is present during the short-term rental period, provided that two or more units within a single parcel are not rented concurrently on a short-term basis.

F. A vacation home rental permit is issued to a specific owner of a dwelling unit. When the permit holder sells or transfers the real property, the new owner shall apply for and receive a vacation home rental permit before using the dwelling as a vacation home rental. New owners will only be issued a vacation home rental permit where the required three hundred foot (300') buffer can be satisfied.

3-12-4: STANDARDS:

A. The vacation rental occupancy of a dwelling unit, as permitted by section 3-12-3 of this chapter, shall comply with the following standards:

1. Permit:

a. Commencing on the effective date hereof, any person who is permitted to engage in the rental of a dwelling for vacation home rental occupancy shall have obtained a vacation home rental permit before the rental of the dwelling for vacation home rental occupancy. Application for such a permit shall be made upon suitable forms furnished by the city. The permit is valid for one year, or the remainder of the calendar year in which the permit is issued, and must be renewed annually. Renewal of the permit requires a complete permit application and fee no later than January 1 for the calendar year. If a complete application and applicable fee have not been received by the city within forty five (45) days of the annual renewal date, the vacation home rental occupancy of the dwelling unit shall be conclusively presumed to be discontinued and the city shall revoke the vacation home rental permit.

2. Issuance: The issuance of a vacation home rental permit shall be subject to the following requirements:

a. Inspection:

(1) At the time of application for a new vacation home rental permit, the dwelling unit shall be subject to inspection by the building official or their designee. Prior to the issuance of the vacation home rental permit, the owner of the dwelling unit shall make all necessary alterations to the dwelling required by the building official pursuant to the requirements of this chapter.

(2) All applicants that have a vacation home rental permit shall be required to submit a notarized statement affirming compliance with a city provided self-inspection checklist affirming compliance with the standards set forth in this chapter annually. Such

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statement shall be submitted with the complete application and applicable fee required for the annual vacation rental permit renewal.

- (3) Any inspections required under this chapter may be conducted by a private inspector certified by the International Code Council at the owner's expense.
- b. Bedroom windows shall be operable to allow for emergency egress. All emergency escape windows shall have a minimum five and seven tenths (5.7) square foot net opening with a maximum sill height of forty-four (44) inches.
- c. Single or multiple-station smoke alarms shall be installed and maintained in accordance with manufacturers specification:
 - (1) On the ceiling or wall outside of each separate sleeping area in the immediate vicinity of bedrooms.
 - (2) In each room used for sleeping purposes.
 - (3) In each story within a dwelling unit, including basements but not including crawl spaces and uninhabitable attics. In dwellings or dwelling units with split levels and without an intervening door between the adjacent levels, a smoke alarm installed on the upper level shall suffice for the adjacent lower level provided that the lower level is less than one full story below the upper level.
- d. A CO Detector is required on each floor if: there is a garage, solid fuel appliance or gas appliance
- e. The vacation rental shall be equipped with a minimum of one 2A:10BC type extinguisher; at least one such extinguisher is required per floor. Fire extinguishers(s) shall be mounted in visible locations with the tops of the fire extinguishers mounted between three and five feet above the floor, and shall be accessible to occupants at all times.
- f. Occupancy: No recreational vehicle, travel trailer, tent or other temporary shelter shall be used as a vacation rental.
- g. Local Representative:
 - (1) Each vacation home rental shall list a local representative who permanently resides within twenty (20) vehicular miles of Sandpoint city limits.
 - (2) If the police department is not able to contact the local representative in a timely manner more than twice during the term of the annual permit, this shall be considered a violation pursuant to subsection [3-12-5B](#) of this chapter.
 - (3) The designated local representative may be changed by the permit holder from time to time throughout the term of the permit. However, to change the local representative, the permit holder must file a revised permit application that includes the name, address and

telephone number of the new local representative. Failure to notify the city of a change in the local representative constitutes a violation pursuant to subsection [3-12-5B](#) of this chapter.

- (4) Within the residential zones, property owners and/or residents within two hundred feet (200') of the dwelling shall be provided with the name and telephone number of the owner or the local representative prior to use of the dwelling as a vacation rental. The permit holder shall provide documentation to the city of this notification through a notarized statement and list of the owners and/or residents contacted. The purpose of this notification is so that adjacent property owners and residents can contact the responsible person to report and request the resolution of problems associated with the operation of the vacation home rental. Failure to provide this required notification constitutes a violation pursuant to section [3-12-5](#) of this chapter and that violation shall be counted in the number of violations assessed against the permit pursuant to section [3-12-5](#) of this chapter. Notification shall not be required for units identified in section [3-12-3-E1](#), E2 and E3 of this chapter.
- h. Permit Posting: The vacation home rental permit shall be posted within the dwelling adjacent to the front door. At a minimum, the permit will contain the following information:
- (1) The name of the local representative and a telephone number where the representative may be reached;
 - (2) The name and a telephone number where the property owner can be reached;
 - (3) The telephone number and website address of the city of Sandpoint and the Sandpoint police department;
 - (4) The maximum number of occupants permitted to stay in the dwelling;
 - (5) The solid waste and recycling collection day; and
 - (6) The Sandpoint snowplowing regulations.
- i. Inactivity: License issuance and continued validity shall be contingent upon the owner's good faith effort to actively engage in the rental of the property. Failure to provide documentation of rental activity for a minimum of twelve (12) nights during a twelve (12) month period, prorated quarterly, prior to the vacation rental permit renewal deadline shall constitute an immediate forfeiture of the license.

3-12-5: VIOLATION; INFRACTION; PENALTY:

The following conduct shall constitute a violation for which the penalties and sanctions specified in this section may be imposed:

1. Violations:

a. The tenants of the dwelling have created noise, disturbances, or nuisances, in violation of this code, or violations of state law pertaining to the consumption of alcohol, or the use of illegal drugs.

b. The owner has failed to comply with the standards of section 3-12-4 of this chapter.

c. An advertisement promoting the availability of short-term rental property in violation of City code is prima facie evidence of a violation and may be grounds for denial, suppression or revocation of a license. Advertising that offers a dwelling unit as a short-term rental shall constitute prima facie evidence of the operation of a short-term rental of the unit and the burden of proof shall be on the owner, operator, or lessee of record to establish that the subject property is being used as a legal short-term rental or is not in operation.

2. Penalties:

a. For the first two (2) violations within a twelve (12) month period, the sanction shall be a warning notice.

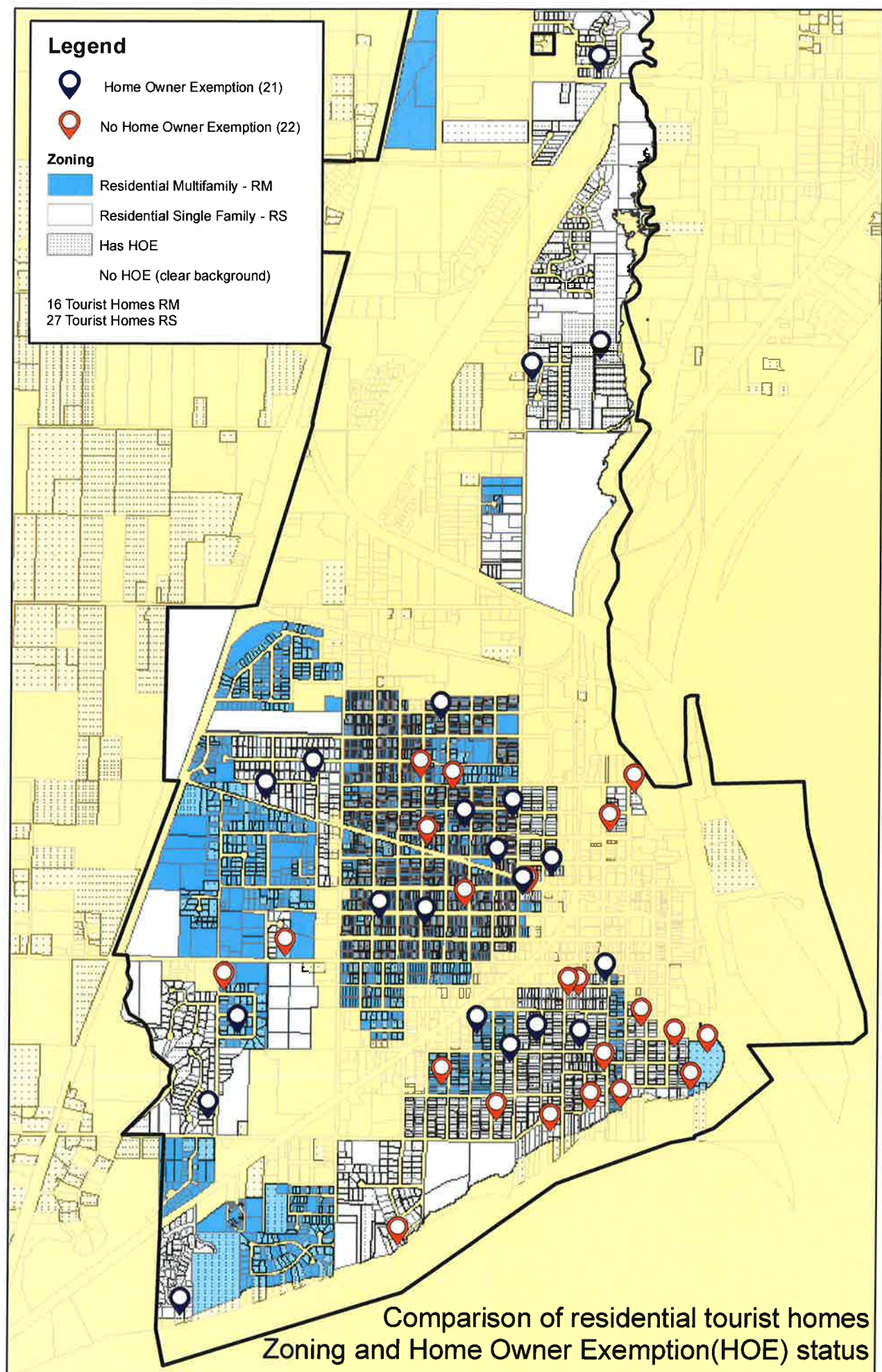
b. For the third violation within a twelve (12) month period, the sanction shall be a revocation of the permit.

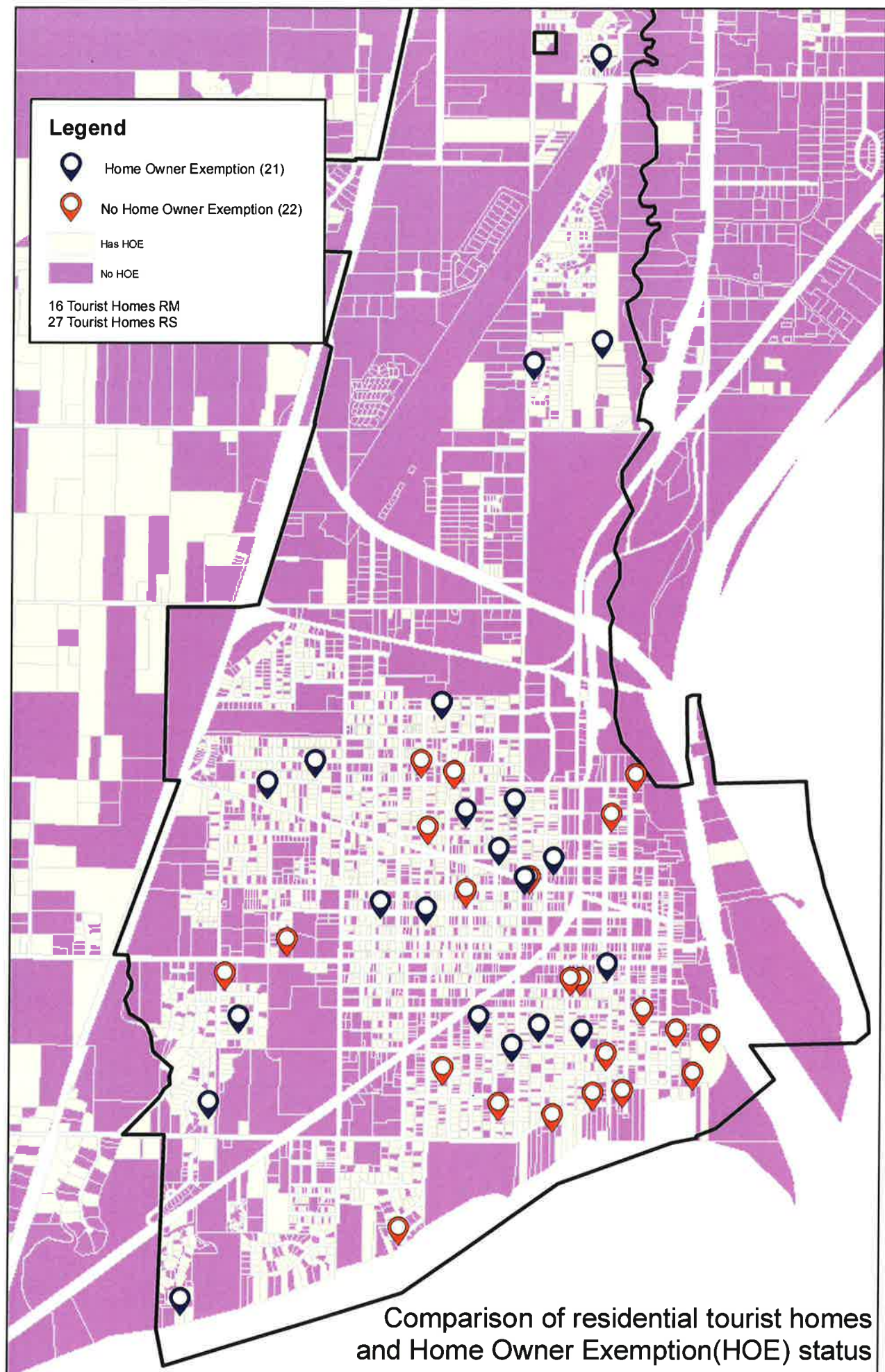
3. Written Notice: The city shall provide the permit holder with a written notice of any violation of this section that has occurred. If applicable, a copy of the warning notice shall be sent to the local representative.

4. Appeal Of Suspension or Revocation: Pursuant to this section, the city shall provide the permit holder with a written notice of the permit suspension or revocation and the reasons therefore. The permit holder may appeal the suspension or revocation to the city council by filing a letter of appeal to the city clerk within twenty (20) days after the date of the mailing of the planning director's order to suspend or revoke the permit. The planning director's suspension or revocation shall be stayed until the appeal has been determined by the city council. The city council shall conduct a hearing on the appeal within sixty (60) days of the date of the filing of the letter of appeal. At the appeal, the permit holder may present such evidence as may be relevant. At the conclusion of the hearing, based on the evidence it has received, the council may uphold, modify, or overturn the decision of the planning director to suspend or revoke the permit based on the evidence received.

5. Application For Permit After Revocation: A person who has had a vacation home rental permit revoked shall not be permitted to apply for a permit at a later date.

6. Infraction: Unless otherwise provided, any person who shall commence or continue to operate a short term rental for which a permit is required by any provision of this title without first procuring the same shall be deemed guilty of an infraction and, upon conviction thereof, shall be fined one hundred dollars (\$100.00). An infraction is a civil public offense, not constituting a crime, for which no period of incarceration is imposed. A separate offense shall be deemed committed on each day during or on which a violation occurs or continues.





How affordable is housing?

This page describes whether housing is affordable for homeowners and renters.

Housing Costs as a Percent of Household Income, 2015*

	Sandpoint city, ID	U.S.
Owner-occupied housing w/ a mortgage	1,074	48,414,291
Monthly cost <15% of household income	172	10,168,990
Monthly cost >30% of household income	584	15,648,374
Specified renter-occupied units	1,766	42,214,214
Gross rent <15% of household income	161	4,667,482
Gross rent >30% of household income	1,039	20,210,842
Median monthly mortgage cost[^]	\$1,138	\$1,492
Median gross rent[^]	\$708	\$928

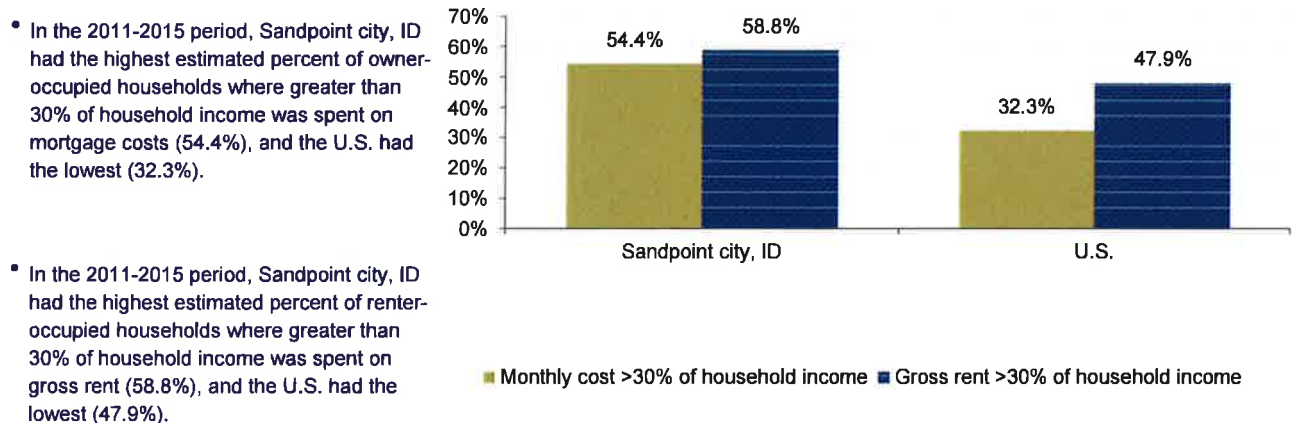
Percent of Total

Monthly cost <15% of household income	16.0%	21.0%
Monthly cost >30% of household income	54.4%	32.3%
Gross rent <15% of household income	9.1%	11.1%
Gross rent >30% of household income	58.8%	47.9%

[^] Median monthly mortgage cost and median gross rent are not available for metro/non-metro or regional aggregations.

* The data in this table are calculated by ACS using annual surveys conducted during 2011-2015 and are representative of average characteristics during this period.

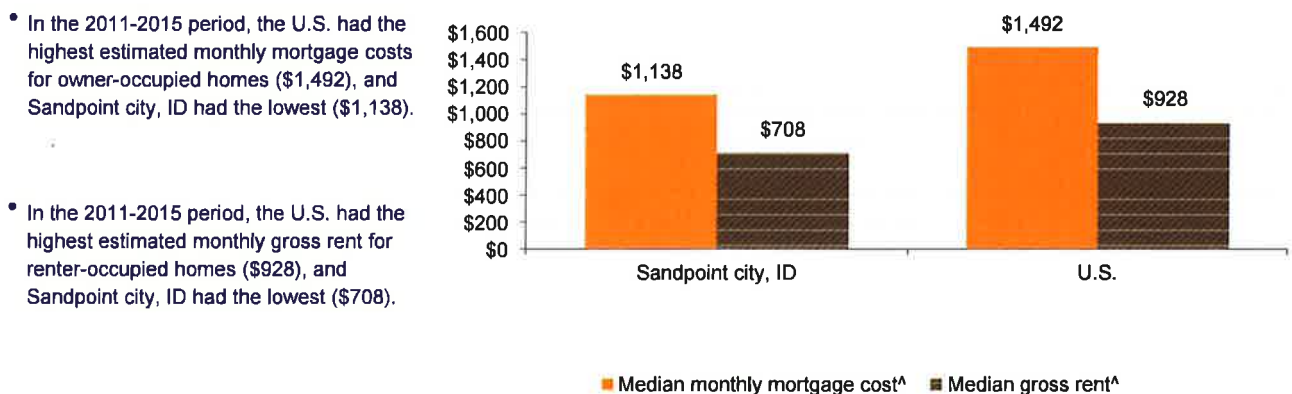
Housing Costs as a Percent of Household Income, 2015*



- In the 2011-2015 period, Sandpoint city, ID had the highest estimated percent of owner-occupied households where greater than 30% of household income was spent on mortgage costs (54.4%), and the U.S. had the lowest (32.3%).

- In the 2011-2015 period, Sandpoint city, ID had the highest estimated percent of renter-occupied households where greater than 30% of household income was spent on gross rent (58.8%), and the U.S. had the lowest (47.9%).

Median Monthly Mortgage Costs and Gross Rent, 2015*



- In the 2011-2015 period, the U.S. had the highest estimated monthly mortgage costs for owner-occupied homes (\$1,492), and Sandpoint city, ID had the lowest (\$1,138).

- In the 2011-2015 period, the U.S. had the highest estimated monthly gross rent for renter-occupied homes (\$928), and Sandpoint city, ID had the lowest (\$708).

What are the main housing characteristics?

This page describes whether housing is occupied or vacant, for rent or seasonally occupied, and the year built.

Housing Characteristics, 2015*

	Sandpoint city, ID	U.S.
Total Housing Units	3,815	133,351,840
Occupied	3,362	116,926,305
Vacant	453	16,425,535
For rent	116	2,949,366
Rented, not occupied	25	616,375
For sale only	36	1,492,691
Sold, not occupied	0	628,160
Seasonal, recreational, occasional use	210	5,329,103
For migrant workers	0	35,502
Other vacant	66	5,374,338
Year Built		
Built 2014 or later	0	143,974
Built 2010 to 2013	43	1,944,533
Built 2000 to 2009	733	19,861,107
Built 1990 to 1999	533	18,636,635
Built 1980 to 1989	473	18,331,828
Built 1970 to 1979	689	20,932,720
Built 1940 to 1969	569	35,939,960
Median year structure built[^]	1978	1976

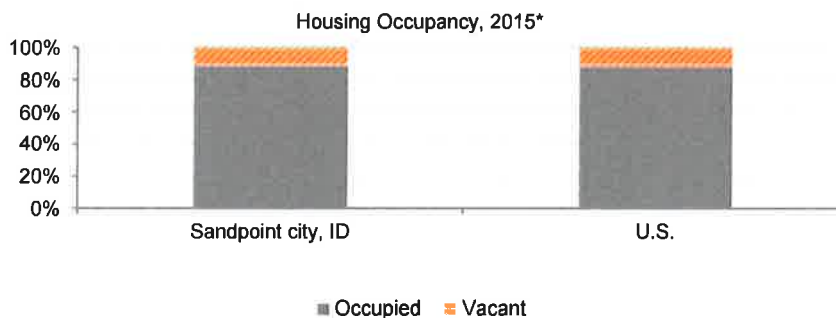
Percent of Total

Occupancy		
Occupied	88.1%	87.7%
Vacant	11.9%	12.3%
For rent	3.0%	2.2%
Rented, not occupied	0.7%	0.5%
For sale only	0.9%	1.1%
Sold, not occupied	0.0%	0.5%
Seasonal, recreational, occasional use	5.5%	4.0%
For migrant workers	0.0%	0.0%
Other vacant	1.7%	4.0%
Year Built		
Built 2014 or later	0.0%	0.1%
Built 2010 to 2013	1.1%	1.5%
Built 2000 to 2009	19.2%	14.9%
Built 1990 to 1999	14.0%	14.0%
Built 1980 to 1989	12.4%	13.7%
Built 1970 to 1979	18.1%	15.7%
Built 1940 to 1969	14.9%	27.0%

[^] Median year structure built is not available for metro/non-metro or regional aggregations.

* The data in this table are calculated by ACS using annual surveys conducted during 2011-2015 and are representative of average characteristics during this period.

- In the 2011-2015 period, the U.S. had the highest estimated percent of the vacant housing (12.3%), and Sandpoint city, ID had the lowest (11.9%).

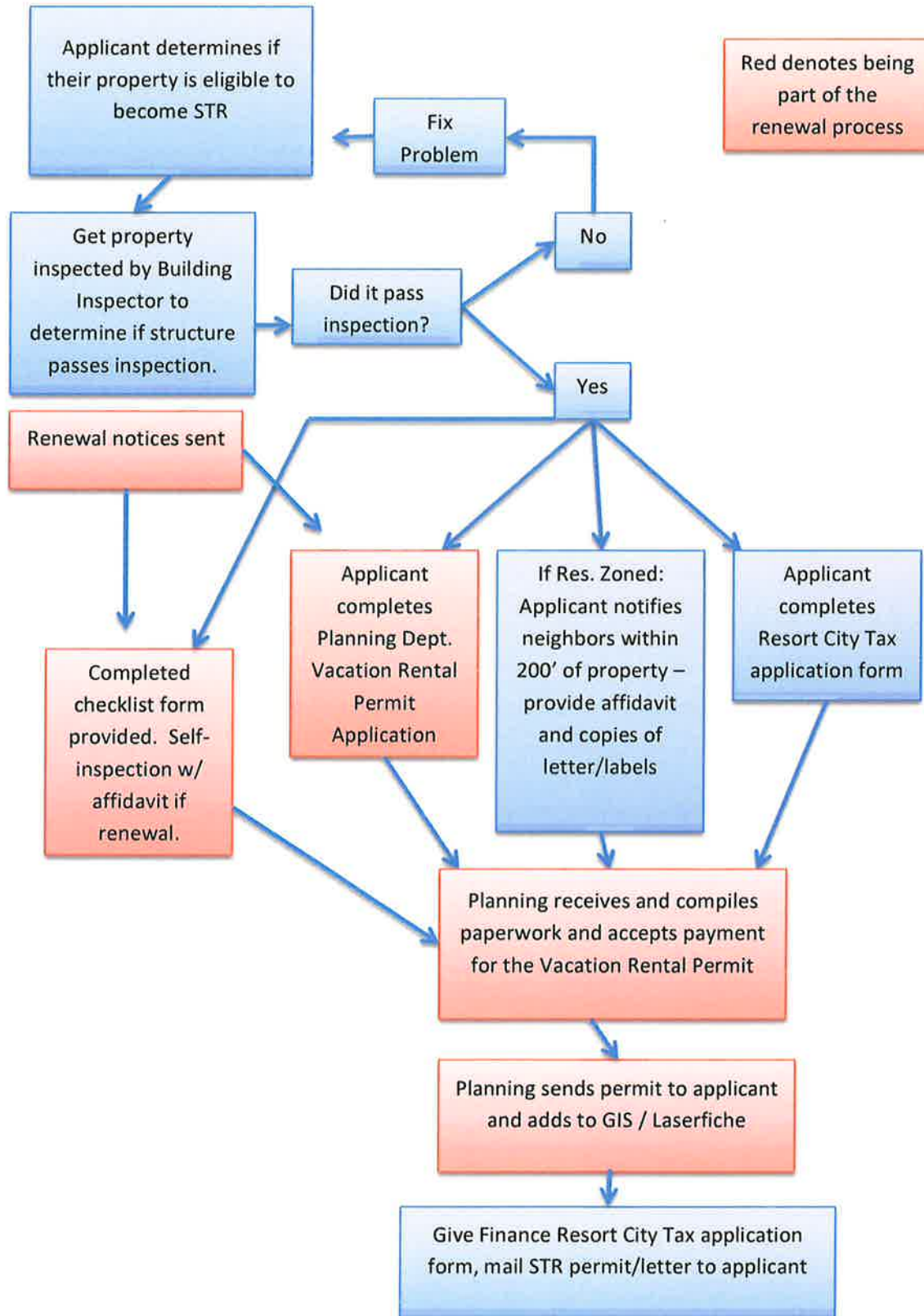


Short Term Rental (STR) Permitting Process PROPOSED

Initial Permit	
1. Determine Eligibility	Planning
2. Inspection with Building Official (and re-inspection if necessary)	Building
3. Notify Neighbors of intent if applicable	Applicant
4. Turn in complete STR Application <ul style="list-style-type: none">• Affidavit of neighbor notices / labels• Signed Building Inspection Form• Resort City Tax Form• Vacation Rental Application Fee	Planning
6. Process Resort City Tax form	Finance
7. Complete file, add to GIS, generate permit and send to applicant	Planning

Renewals	
1. Semi-automated renewal notices sent	Planning
3. Process vacation rental renewal application <ul style="list-style-type: none">• Self-inspection affidavit• Follow up with applicant• Vacation Rental Renewal Application Fee (To Finance)	Planning
4. Complete file, Update GIS and/or Laserfiche, generate permit and deliver to Applicant	Planning

Short Term Rental (STR) Permitting Flowchart



Short Term Rental (STR) Enforcement/Renewals/Notification Service

Enforcement

- Monthly review of advertised short-term rentals using contracted software service.
- Cross reference to permitted STRs using GIS / Permit logs
- Determine eligibility of non-permitted advertised rentals based on zone and buffer requirement and whether owner occupied or not
- Send form enforcement letter batch 1 asking for response within 10 days (via software service)
- If no response and still advertised within 10 days, send form enforcement letter 2 via certified mail with 10 day response and penalty language (*may* be fined \$100/day)
- If no response, send custom enforcement letter 3 via certified mail announcing start date of daily fine 10 days within receipt of letter.

Renewals

- STR permit renewals must be completed annually prior to 45 days after January 1st.

Waitlist

- If applicable, Staff to administer a waitlist for non-owner occupied short term rentals in the residential zones.



SAMPLE

Date

Mr. & Mrs. John Doe
1123 Lake Street
Sandpoint, ID 83864

Dear Mr. & Mrs. John Doe,

Recognizing the important role that tourism plays in our local economy, the City of Sandpoint has relaxed the regulations governing vacation/tourist home rentals within the city. Although these regulations provide greater opportunity to operate this type of use throughout the town, Title 3 Chapter 12 of the Sandpoint City Code requires every home operating as a short term rental have a valid permit and meet certain criteria.

Your property has been identified as operating as a vacation rental/tourist home without valid permitting. Please note operation of a short-term rental without proper permitting constitutes an infraction. The City of Sandpoint fully intends to pursue this matter until it is resolved. For your convenience, important links to documents and Sandpoint City Code is available on the City's website at <http://www.sandpointidaho.gov/vacationrental>.

In order to legally operate as a vacation/tourist home, you must complete the following process:

1. Check with the [Planning Department](#) at (208) 263-3370 to see if your property is eligible.
2. If your property is eligible, fill out the Planning Department [application](#).
3. Schedule an [inspection](#) with the [Building Division](#) at (208) 263-3407.
4. Notify neighbors within 200 feet of your parcel telling them of your intentions and fill out an [affidavit](#) saying you did so. Typically, title companies will generate the required address list. A copy of the letter, a list of the addresses mailed, and completed affidavit must be submitted to the Planning Department.
5. Fill out the [Resort City Tax application form](#) and submit it as part of your application.
6. Submit all the materials above to the Planning Department and pay the fee.

Please note that a 300 foot "buffer zone" is generated around non-homeowner occupied vacation rental properties and no new dedicated (non-homeowner occupied) vacation rentals may be placed within an already existing buffer zone. This serves to prevent the clustering of vacation rentals in order to reduce incompatibilities to surrounding neighborhood uses and to help maintain long-term housing options in Sandpoint neighborhoods. Please note that permits for new vacation/tourist homes will be awarded on a first-come-first-serve basis.

If you have any questions regarding the Vacation/Tourist Home Ordinance, B&B eligibility or this letter, please contact the Planning Department at (208) 263-3370.

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**E. PROPOSED REVISIONS TO SANDPOINT CITY CODE TITLE 3, CHAPTER 12 –
SHORT TERM RENTAL OF DWELLING UNITS**

Mayor Rognstad announced that public hearings were held on June 21st, July 19th and September 6th. The public hearing was concluded and closed at the September 6th Council meeting, and this agenda item was tabled to this evening's meeting.

Councilman Eddy moved that City Council remove this item from the table.
Councilwoman Williamson seconded the motion.

A roll call vote of Council resulted as follows:

Councilwoman Williamson	Yes
Councilman Eddy	Yes
Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilman Camp	Yes
Councilman Snedden	Yes

The motion passed by a unanimous vote of Council.

Planning and Economic Development Director Aaron Qualls noted that staff will soon have an opportunity to utilize a new software service that will help to regulate vacation rentals, as discussed during the budget process. Since the last public hearing, he received two more letters from Westwood residents, who expressed concern about additional vacation rentals within their development. Staff also received several letters from Westwood residents who wanted some allowance for vacation rentals. Whatever decision City Council makes, it may impact other developments that are on the water or that have ten or more units, such as Condo Del Sol and the Driftwood development.

In 2016, State legislators decided that homeowner associations should have no right to determine the length of stay within their developments. The most recent proposed revision in City Code removed the designation of a resort community. It provides another standard that, if a development is located within one quarter mile from the downtown core, it would be required to adhere to the buffer requirement. If the development is located farther than one quarter mile from these boundaries, it would not be required to adhere to the buffer requirement, but short term rentals may be allowed at a ratio of only one per every ten units. Currently, accessory dwelling units have to adhere to the buffer requirement. The intent in allowing accessory dwelling units was to allow for additional long-term rentals. The issue within the community is that long-term rentals are becoming less affordable. If City Council decides that accessory dwelling units are not required to adhere to the 300-foot buffer requirement, then there are more standards to consider.

Aaron Qualls clarified to **Councilwoman Ruehle** that a planned unit development is included within this section of the code in case a developer wants to go through this process in addition to other standards, but they would have to be approved by City Council. He responded to **Councilman Camp** that the City currently has approximately 150 vacation rentals, with 44 permitted within the residential zones. The other vacation rentals

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are those located within the commercial zone, and those that are not permitted. National trends reflect that there has been a substantial increase in vacation rentals. He clarified to **Councilwoman Williamson** that, if the resort designation was retained in the code, Westwood would be limited to one vacation rental, and they currently have four. Based on the revised code recently presented, Westwood would be allowed to have seven short term rentals. Any length of stay from two to 30 days is considered a short-term rental. He explained to **Councilwoman Ruehle** that the measurement of a ratio of one per every ten units was based on public input. He told **Councilman Camp** that City staff has received more complaints on long-term rentals. The buffer does not apply to mixed use residential zones. He pointed out that Sand Creek counts as waterfront. City Attorney Scot Campbell replied to **Councilman Snedden** that the 300-foot buffer was based on the notification requirement for purposes of zoning. Aaron Qualls added that 300 feet is a common block length in older neighborhoods.

Clint Frank, Sandpoint resident, stated that vacation rentals are beneficial if they are enforced correctly. He pointed out that the cities of Whitefish, Montana, and Seaside, Oregon, do not have a 300-foot barrier. He felt there are more issues with long-term rentals.

Elana Westphal, Sandpoint resident, raised concern regarding the process to obtain a vacation rental permit. Due to the 300-foot buffer, there is no opportunity to know where vacation rentals are located and no opportunity to be put on a waiting list. She disagreed that a permit should be issued "first come, first served". She felt this issue should be addressed. Aaron Qualls explained that, if a homeowner wanted to rent a room on a short-term basis, it is exempt from the 300-foot buffer. Tracking the buffer is a challenge due to the geographic nature. When the new software is launched, then staff can check on eligibility based on the buffer through the GIS system. There is a security issue if vacations rentals are known to be vacant.

Michael Lucid, Sandpoint resident, stated he owns a vacation rental within a residential zone. He stressed concern that there is not enough enforcement on vacation rentals that are not permitted, and there's an issue on how enforcement will be funded. City Council needs to consider what can be enforceable. He asked how the resort city tax funds are applied. Aaron Qualls responded that the resort city tax applies to lodging, tourism supported activities, SPOT bus, infrastructure and improvements downtown that are impacted by tourism, City parks and public safety.

Kam Majer, Sandpoint resident, said she resides at Westwood. They currently have 75 units and, of the 75 units, there are 16 multi-story units. A majority of their units are single story and share a common wall with their neighbor. She said the proposed revisions are acceptable to Westwood, as they would meet their concerns as a resort designation.

Councilwoman Ruehle moved that Sandpoint City Council, after consideration of the criteria and relevant standards of Idaho Code and Sandpoint City Code APPROVE the

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proposed amendments to Title 3, Chapter 12 and Title 9, Chapter 4 of Sandpoint City Code.

The reasons for this decision are:

1. Particular consideration has been given to the effects of these proposed changes upon the health, safety and welfare of the residents and the delivery of services by any political subdivision providing public services, including school districts, within the City of Sandpoint.
2. Staff has followed the notice procedures applicable to zone changes contained in Idaho Code 67-6511 and Sandpoint City Code Title 9, Chapter 9.
3. The proposed amendments are in accordance with the goals and policies of the Sandpoint Comprehensive Plan.

Councilman Camp seconded the motion.

Aaron Qualls clarified to **Councilman Snedden** that, under the recent proposed revisions, accessory dwelling units will not trigger the 300-buffer. **Councilwoman Williamson** commented that there should not be two short term vacation rentals on the same property without one of them as owner occupied or one as a long-term rental. **Councilwoman Ruehle** raised concern allowing a long-term rental in one of the dwellings. **Councilman Eddy** felt accessory dwelling units should adhere to the 300-foot buffer. This would provide more options for affordable housing. **Councilwoman Ruehle** concurred.

Councilman Snedden moved to amend that City Council approve the proposed revision to add 3-12-3-E-1(c) "Such development must be within one quarter of a mile of the downtown core defined as being within the boundaries of First Avenue, Cedar Street, Fifth Avenue and Pine St. Developments located farther than one quarter mile from the downtown core that meet standards E-1-a and E-1-b above shall not be required to adhere to the buffer requirement but may only be allowed short term rentals at a ratio of 1 per 10 units." **Councilwoman Ruehle seconded the motion.**

City Attorney Scot Campbell advised that this proposed revision falls under the realm of regulations of short-term rentals, which does not require another public hearing.

A roll call vote of Council resulted as follows:

Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilman Camp	Yes
Councilman Snedden	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Yes

The motion passed by a unanimous vote of Council.

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Councilwoman Ruehle moved to amend that City Council approve eliminating 3-12-3-E (4) that reads "Where the vacation rental unit is a permitted accessory dwelling unit. However, a principal dwelling and its associated accessory dwelling unit may not be concurrently permitted for short-term occupancy" but to add the requirement that the accessory dwelling unit or primary residence must be owner occupied. **Councilman Eddy seconded the motion.**

A roll call vote of Council resulted as follows:

Councilwoman Ruehle	Yes
Councilman Aitken	No
Councilman Camp	Yes
Councilman Snedden	No
Councilwoman Williamson	Yes
Councilman Eddy	Yes

The motion passed by a majority of City Council, with Council members Aitken and Snedden dissenting.

Aaron Qualls confirmed that staff has not received any feedback from multi-unit housing residents other than residential zones regarding the buffer.

A roll call vote of Council resulted as follows to the main motion:

Councilman Eddy	Yes
Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilman Camp	Yes
Councilman Snedden	Yes
Councilwoman Williamson	Yes

The motion passed by a unanimous vote of Council.